



501.03-00
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Employer Identification Number:  
Person to Contact:  
Identification Number:  
Contact Telephone Number:  
In Reply Refer To:  
TE/GE Review Staff

ORG  
ADDRESS

You are required to file income tax returns on Forms 990-PF (as a taxable private foundation) and 1120 for all years beginning after August 31, 20XX. Returns for the years ending August 31, 20XX, 20XX, and 20XX must be filed with this office within 60 days from the date of this

letter, unless a request for an extension of time is granted. Send such returns to the following address:

Tax returns for subsequent years are to be filed with the appropriate Campus identified in the instructions for those returns.

If you decide to contest this determination in court, you must initiate a suit for declaratory judgment in the United States for the District of Columbia before the 91<sup>st</sup> day after the date this determination was mailed to you. Contact the clerk of the appropriate court for rules for initiating suits for declaratory judgment. . You may write to the Tax Court at the following address:

The processing of income tax returns and assessment of any taxes due will not be delayed because a petition for declaratory judgment has been filed under I.R.C. section 7428.

If you have questions about this letter, please write to the person whose name and address are shown on this letter. If you write, please attach a copy of this letter to help identify your account. Keep a copy for your records. Also, please include your telephone number and the most convenient time for us to call, so we can contact you if we need additional information.

You also have the right to contact the office of the Taxpayer Advocate; however, you should first contact the person whose name and telephone number are shown above, since this person can access your tax information and can help you get answers. Your local Taxpayer Advocate can be contacted at: Phone Fax.

Taxpayer Advocate assistance cannot be used as a substitute for established IRS procedures, formal appeals processes, etc. The Taxpayer Advocate is not able to reverse legal or technically correct tax determinations, nor extend the time fixed by law that you have to file a petition in the United States Tax Court. The Taxpayer Advocate, can, however, see that a tax matter, that may not have been resolved through normal channels, gets prompt and proper handling.

We will notify the appropriate State officials of this action, as required by I.R.C. section 6104(c).

This is a final revocation letter.

Sincerely,

Nanette M Downing  
Director, EO Examinations



TAX EXEMPT AND  
GOVERNMENT ENTITIES  
DIVISION

**DEPARTMENT OF THE TREASURY**

Internal Revenue Service  
10 MetroTech Center; 625 Fulton Street  
Brooklyn, NY 11201  
TEGE:EO: 7909--5th Floor

January 14, 2010

ORG  
ADDRESS

Taxpayer Identification Number:

Form:

Tax Year(s) Ended:

Person to Contact/ID Number:

Contact Numbers:

Telephone:

Fax:

Certified Mail - Return Receipt Requested

Dear :

We have enclosed a copy of our report of examination explaining why we believe revocation of your exempt status under section 501(c)(3) of the Internal Revenue Code (Code) is necessary.

If you accept our findings, take no further action. We will issue a final revocation letter.

If you do not agree with our proposed revocation, you must submit to us a written request for Appeals Office consideration within 30 days from the date of this letter to protest our decision. Your protest should include a statement of the facts, the applicable law, and arguments in support of your position.

An Appeals officer will review your case. The Appeals office is independent of the Director, EO Examinations. The Appeals Office resolves most disputes informally and promptly. The enclosed Publication 3498, *The Examination Process*, and Publication 892, *Exempt Organizations Appeal Procedures for Unagreed Issues*, explain how to appeal an Internal Revenue Service (IRS) decision. Publication 3498 also includes information on your rights as a taxpayer and the IRS collection process.

You may also request that we refer this matter for technical advice as explained in Publication 892. If we issue a determination letter to you based on technical advice, no further administrative appeal is available to you within the IRS regarding the issue that was the subject of the technical advice.

If we do not hear from you within 30 days from the date of this letter, we will process your case based on the recommendations shown in the report of examination. If you do not protest this proposed determination within 30 days from the date of this letter, the IRS will consider it to be a failure to exhaust your available administrative remedies. Section 7428(b)(2) of the Code provides, in part: "A declaratory judgment or decree under this section shall not be issued in any proceeding unless the Tax Court, the Claims Court, or the District Court of the United States for the District of Columbia determines that the organization involved has exhausted its administrative remedies within the Internal Revenue Service." We will then issue a final revocation letter. We will also notify the appropriate state officials of the revocation in accordance with section 6104(c) of the Code.

You have the right to contact the office of the Taxpayer Advocate. Taxpayer Advocate assistance is not a substitute for established IRS procedures, such as the formal appeals process. The Taxpayer Advocate cannot reverse a legally correct tax determination, or extend the time fixed by law that you have to file a petition in a United States court. The Taxpayer Advocate can, however, see that a tax matter that may not have been resolved through normal channels gets prompt and proper handling. You may call toll-free 1-877-777-4778 and ask for Taxpayer Advocate Assistance. If you prefer, you may contact your local Taxpayer Advocate at:

If you have any questions, please call the contact person at the telephone number shown in the heading of this letter. If you write, please provide a telephone number and the most convenient time to call if we need to contact you.

Thank you for your cooperation.

Sincerely,

Nanette M. Downing  
Acting Director, EO Examinations

Enclosures:  
Publication 892  
Publication 3498  
Report of Examination

Form <b>886A</b>	Department of the Treasury - Internal Revenue Service	Schedule No. or Exhibit <b>A</b>
<b>Explanation of Items</b>		
Name of Taxpayer <b>ORG</b>		Year/Period Ended <b>08/31/20XX</b>

LEGEND

ORG = Organization name      XX = Date

**ISSUE:**

Whether ORG qualifies for exemption under section 501(c)(3) of the Internal Revenue Code as a private foundation after failure to provide requested information.

**FACTS:**

ORG failed to respond to numerous Form 4564, Information Document Requests sent to the organization by the Internal Revenue Service (the Service). The organization did not submit the data in response to any of the aforementioned correspondence.

The initial contact letter was mailed to the last known address of the organization as well as to three officers listed in the last return filed by the entity for the tax period ending August 31, 20XX. Telephone contacts were made with the Department Fire Chief. The Fire Chief was informed that if the entity failed to respond that the Service would propose revocation of its exemption status. The officer has indicated that it has failed to file the required tax returns due to a lack of funds to pay for the services of an accountant. The organization's current accountant has agreed to assist them after the tax season. The officer stated that the accountant has all of their financial data at his office.

Exhibit A provides copies of the Internal Revenue Service correspondence requesting that the organization file the delinquent Forms 990-PF for the tax periods ending August 31, 20XX; 20XX; 20XX; 20XX and 20XX. The private foundation failed to respond to the Internal Revenue Service correspondence and file the Forms 990-PF requested for the above tax periods.

**LAW:**

Internal Revenue Code section 6001 provides that every person liable for any tax imposed by the Internal Revenue Code, or for the collection thereof, shall keep

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adequate records as the Secretary of the Treasury or his delegate may from time to time prescribe.

Internal Revenue Code section 6033(a)(1) provides that every organization exempt from taxation under section 501(a) shall file an annual return, stating specifically the items of gross income, receipts, and disbursements, and such other information for the purpose of carrying out the internal revenue laws as the Secretary may by forms or regulations prescribe, and shall keep such records, render under oath such statements, make such other returns, and comply with such rules and regulations as the Secretary may from time to time prescribe.

Federal Tax Regulations section 1.6001-1(e) states that the books or records required by this section shall be kept at all times available for inspection by authorized internal revenue officers or employees, and shall be retained so long as the contents thereof may become material in the administration of any internal revenue law.

Federal Tax Regulations section 1.6033-2(i)(2) provides that every organization which is exempt from tax, whether or not it is required to file an annual return of information, shall submit such additional information as may be required by the Internal Revenue Service for the purpose of inquiring into its exempt status and administering the provisions of subchapter F (section 501 and the following), chapter 1 of the Code and section 6033 of the Code.

Revenue Ruling 59-95, 1959-1 C.B. 627, concerns an exempt organization that was requested to produce a financial statement and statement of its operations for a certain year. However, its records were so incomplete that the organization was unable to furnish such statements. The Service held that the failure or inability to file the required information return or otherwise to comply with the provisions of Internal Revenue Code section 6033 and the regulations which implement it, may result in the termination of the exempt status of an organization previously held exempt, on the grounds that the organization has not established that it is observing the conditions required for the continuation of exempt status.

In accordance with the above cited provisions of the Code and regulations under sections 6001 and 6033 as well as the revenue ruling, organizations recognized as exempt from federal income tax must meet certain reporting requirements. These

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requirements relate to the retention of records sufficient to determine whether such entity is operated for the purposes for which it was granted tax-exempt status and to determine its liability for any unrelated business income tax.

### **CONCLUSIONS:**

It is the position of the Internal Revenue Service that the organization failed to meet the reporting requirements under IRC sections 6001 and 6033 to be recognized as exempt from federal income tax under IRC section 501(c)(3) as a private foundation. Accordingly, the organization's exempt status is revoked effective April 14, 20XX.

Form 1120 returns should be filed for the tax periods ending on or after August 31, 20XX.